



### Helpful Hints for a Smooth “HAP” Transaction

1. The subsidy application must be filled out completely and signed by the lender, borrower/co-borrower.
2. Make sure that you submit a complete package; if numerous items are missing the package will be placed to the back of the pipeline and worked once all required documentation is received.
3. Of the AMI income percentage allowable amount; up to 3k will be provided for closing cost and prepaids (the subsidy application shows the items for which our moneys can be used). If the itemized costs are less than the allocated 3k, you will only be able to receive the lesser amount. It is better to over-estimate, than under estimate to ensure maximum closing cost assistance.
4. We will pay the upfront MIP if it is not financed into the loan; however if we are requested to pay the upfront MIP it will be taken out of the DPL loan as the borrower can receive no more than the total indicated by their AMI income percentage allowable amount.
5. The DPL loan provided is **GAP** financing which is the **difference between the contract purchase price and the total loan amount (including MIP if financed)**.
6. To take full advantage of the maximum subsidy allowed for DPL, it would be helpful to back the requested DPL subsidy amount into the contract purchase price to arrive at the loan amount (including MIP if financed) that you should be working with. You would then structure the loan from this point.
7. If the seller is making a contribution towards closing and prepaids the full AMI income percentage allowable amount can be used for downpayment. **If using this method; remember that the difference between the contract purchase price and the total loan amount must equal to the AMI income percentage allowable amount.**
8. If the homebuyer has not taken the homeowner training class they will need to schedule the class. The class must be taken by any HUD certified counseling agency which can be found on [www.hud.gov](http://www.hud.gov) or a list of area agencies is provided under the HAP Guidelines.
9. **The City of Fort Worth will need to be shown as 2<sup>nd</sup> mortgagee on the hazard and title commitment.**
10. The processing time is **30 days; that's 30 days from the date of the commitment to the lender.** It will take anywhere from 48-72 hours after receipt of the initial package to determine eligibility (providing that all required documentation has been received). Once eligibility has been determined the lender will be sent a commitment of funds.